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PROGRAMME

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF NEPAL

IPF: (1992-96) $ 77 772 000

(NEP/93/017) - Training for Rural Employment (TRE)

Date of approval:	27 January 1993	
Expected duration:	Five years	
Proposed executing agency:	Government	
Government implementing agency:	Government	
Proposed UNDP contribution:	$ 696 500	Source of funds: IPF
Total UNDP budget:	$ 696 500	

Project background

The Eighth Five-Year Plan (1992-1997) of His Majesty's Government of Nepal accords top priority to the creation of productive employment opportunities. In its Industrial Policy (1992), the Government recognizes the need to "emphasize development of small, cottage and agro-based industries in order to create employment opportunities in rural areas". In this connection, it is specifically proposed to conduct relevant skill development programmes.

The Government, with UNDP assistance, is developing a programme to develop the CSI sector. Its objectives, based on the Industrial Policy, include the increase of employment and income levels in rural and remote areas through off-farm CSI activities. The present TRE project is an integral part of the package of activities proposed under this programme. It is directly relevant to poverty alleviation. By aiming at the provision and upgrading of skill training for rural communities, the project will contribute to economic and social development of these communities and reduce the incidence of poverty in rural areas of Nepal. The shortage of skills has been identified as one of the main constraints affecting the development of the CSI sector. By increasing the number of skilled workers in critical areas, the project will make a substantial contribution to the development of this sector.

Among the various skill development projects that have been active in Nepal, the project (NEP/88/033) Rural Training for Employment and Income Generation Activities (TRUGA) can be singled out as having been particularly active in rural areas. The TRE project will extend the potential of the training methodology demonstrated in the TRUGA project. UNDP funding will provide only a small percentage of overall rural training costs to the TRE project. The TRE project will not have responsibility for the implementation or management of the DCSI and CSIDB training activities. Rather, it will focus on providing technical assistance to increase the efficiency of the national coverage, improve the quality and enlarge the range of programme offerings. The proposed project is thus a highly cost-effective vehicle means to assist the Government in an area which is critical for national development.

Description of project

The project will support the Government's poverty alleviation efforts by supporting its CSI programme through the provision of short-cycle community-based skill training directly linked to economic activities in the local communities.

The immediate objectives of the project are to: (a) strengthen the capacity of the TRE Cells and the District TRE officials of DCSI and CSIDB to extend and effectively implement cost-efficient mobile rural skills training programmes with a high employment impact in all the 75 districts of Nepal; and (b) improve these programmes on a continuing basis, building on an enhance capacity for field-based research, monitoring and evaluation.

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Project activities will include: (a) conducting training activities to familiarize all TRE Cell and District TRE officials of DCSI and CSIDB with the multi-step methodology and implicit employment goals of their activities; (b) equipping DCSI and CSIDB personnel responsible for rural training with the requisite knowledge of current practices and procedures associated with their skill areas; (c) revising training manuals and existing curricula; and (d) collecting and appraising new curricula material to enhance the DCSI's and CSIDB's capacities to deliver cost-efficient rural training with high employment impact.

The availability of credit is a critical post-training input in rural training programmes. Under the project, the already existing revolving fund will be increased, such that the number of beneficiaries of loans can be increased from the current 103 to 250. Through improvements in the selection procedure and follow-up support, the repayment rate, initially to be above 65 per cent, will be steadily increased.

The project will establish a capacity at DCSI and CSIDB TRE to design, implement and analyze monitoring and evaluation activities, to cover quantitative as well as qualitative aspects of TRE training activities.

Inputs

The HMG will provide the National Programme Director, who will be supported by a cadre of senior managers as well as technical staff as counterparts to the project. The Government will provide all administrative and logistic support personnel including premises.

UNDP will provide technical assistance through a two-member team of UN Volunteer specialists, supported by eight work-months of international experts, 12 work-months of national consultants, and administrative support staff (21 work-months; a sub-contract to technically re-enforce entrepreneurial and trainee selection aspects by a local institution; in-country and group-training; office and computing equipment for the TDU, DCSI and CSIDB; as well as production equipment for successful trainees at reduced cost; and miscellaneous costs. The TRUGA Guarantee Fund, renamed TRE Guarantee Fund, will be increased by (US) $ 60,000 to (US) $100,000.

Financial data

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Personnel	325 000
Subcontract	26 000
Training	111 300
Equipment	48 000
Miscellaneous	186 200
Total	696 500

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